

SECRET

31 May 1955

65-2709

MEMORANDUM FOR: Office of General Counsel ✓

THROUGH : Comptroller J/CA

SUBJECT : Allowance of Claims for Operational Luncheons  
for Agency Personnel

REFERENCE : 25X1A  
[REDACTED]

1. This Division frequently receives claims for operational entertainment wherein questions arise as to whether the provisions of [REDACTED] with respect to deductions for meals for Agency employees should be applied. A case in point is the attached claim, dated 10 May 1955, wherein [REDACTED] claims reimbursement for the expense of an operational luncheon attended solely by persons employed by this Agency.

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2. The attached claim reflects deduction of \$1.00 each for the two staff employees participating in the luncheon; however, no deduction is taken for the two agents, although one is a contract agent in per diem status and the second is under a covert associate contract on an annual salary basis.

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3. Since the waiver of deductions provided for by regulation [REDACTED] 3b(2), has not been obtained, the claim for full reimbursement for the two persons under contractual agreements is apparently submitted on the premise that "employee" as used in the reference regulation includes only regular staff employees and other personnel of the Agency may be excluded from the requirement with respect to deductions for official entertainment.

4. It is the view of this Division that in the absence of specific waiver as provided by the regulation, the deductions for meals as provided by [REDACTED] are required for all employees (staff or contract) in a pay status at the time regular meals are received. This view, of course, would be defeated if the use of the term "employee" in subject regulation is interpreted so as to exclude contract personnel. It will be appreciated if you will review this problem and furnish your view as to whether, as a matter of legal interpretation of regulations, claims of the type herein discussed may be passed for payment without deductions for meals for contract personnel.

5. The effect of interpretation in this matter is evidenced by the fact that if the views of this Division are determined to be appropriate to the intention of reference regulation, the attached claim will be disallowed

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in its entirety. In any case, however, although the claim is determined proper for payment as presented, it will be necessary to recover one-fifth of the per diem payable to the agent for the day of the luncheon.

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[REDACTED]

Chief, Finance Division

Attachment

FD/LEB:mt

Distribution:

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**MISSING PAGE**

**ORIGINAL DOCUMENT MISSING PAGE(S):**

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